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CHINA ENVIRONMENTAL RESOURCES GROUP LIMITED

中國環境資源集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1130)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that the Placing was completed on 4 April 2014 in accordance with terms and conditions of the Placing Agreement in which an aggregate of 157,142,418 Placing Shares have been successfully placed to not less than six Placees, who and whose ultimate beneficial owners are third parties independent of, not acting in concert (as defined in the Takeovers Code) with and not connected with the Company and its connected persons, at the Placing Price of HK\$0.375 per Placing Share.

Reference is made to the announcement of the Company dated 26 March 2014 (the “**Announcement**”) in relation to the Placing. Terms used in this announcement have the same meanings as defined in the Announcement unless otherwise stated.

COMPLETION OF THE PLACING

The Board is pleased to announce that all the conditions set out in the Placing Agreement have been fulfilled and the Placing was completed on 4 April 2014. An aggregate of 157,142,418 Placing Shares, representing approximately 16.66% of the issued share capital of the Company immediately after completion of the Placing, have been successfully placed to not less than six Placees, who and whose ultimate beneficial owners are third parties independent of, not acting in concert (as defined in the Takeovers Code) with and not connected with the Company and its connected persons, at the Placing Price of HK\$0.375 per Placing Share. Also, none of the Placees has become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of the Placing. The entire net proceeds from the Placing amount to approximately HK\$57.35 million will be used as general working capital of the Group.

SHAREHOLDING STRUCTURE

The shareholding structure of the Company immediately before and after completion of the Placing is as follows:

Name of Shareholders	Immediately before completion of the Placing		Immediately after completion of the Placing	
	Number of Shares	Approximately %	Number of Shares	Approximately %
Mr. Yeung Chi Hang (Note)	125,000,000	15.91	125,000,000	13.26
Mr. Cheng Tun Nei	80,378,816	10.23	80,378,816	8.53
Public Shareholders:				
- The Places	—	—	157,142,418	16.66
- Others	<u>580,333,274</u>	<u>73.86</u>	<u>580,333,274</u>	<u>61.55</u>
Total	<u>785,712,090</u>	<u>100.00</u>	<u>942,854,508</u>	<u>100.00</u>

Note: Mr. Yeung Chi Hang is an executive Director.

By order of the Board
China Environmental Resources Group Limited
Kwok Wai, Wilfred
Executive Director

Hong Kong, 4 April 2014

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Kwok Wai, Wilfred, Mr. Leung Kwong Choi, Mr. Wong Po Keung and Mr. Yeung Chi Hang; and three independent non-executive Directors, namely Mr. Wong Kwai Sang, Mr. Chan Ka Yin and Mr. Ong Chi King.